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Staff Report for a Resolution Authorizing the City Manager to Submit an Application for State of California Department of Housing and Community Development's Housing-Related Parks Program Grant Funds

SUMMARY AND RECOMMENDATIONS

Staff recommends that the City Council adopt a resolution to:

- 1) authorize the submittal of a Housing-Related Parks Program grant application for the 2014 Designated Program Year to the State of California Department of Housing and Community Development, and
- 2) authorize the City Manager, or his designee, to execute all necessary Housing-Related Parks program application and grant documents.

BACKGROUND

On December 10, 2014, the State of California Department of Housing and Community Development (HCD) released the Notice of Funding Availability ("NOFA") for the Housing-Related Parks (Parks) Program grant funds. The grant application is due February 5, 2015. The Parks Program is funded through Proposition 1C, the Housing Emergency Shelter Trust Fund Act of 2006. Approximately \$35 million is available for the 2014 funding round.

The Parks Program is an innovative incentive program designed to reward local governments that approve housing for lower-income households and are in compliance with State housing element law with grant funds to create and/or renovate community parks and recreational facilities. HCD will award Parks Program funds to eligible jurisdictions on a per-bedroom basis for each residential unit affordable to very low- [50% of Area Median Income (AMI)] and low-income (80% AMI) households permitted during the Designated Program Year, which covers January 1, 2010 through December 31,

2014. In addition, units substantially rehabilitated, converted from market rate to affordable, and preserved with certificates of occupancy are also eligible to receive funding.

Last year, the City submitted a Parks Program grant application for the 2013 Designated Program Year and was awarded \$1,376,600 in grant funds designated for the rehabilitation of Siempre Verde Park and Thrasher Park as well as for the creation of a science-based innovative and interactive Exploratorium art exhibit at Joaquin Plaza.

Analysis

The Parks Program is a non-competitive grant program. All applicants meeting the threshold requirements will be funded. There is no maximum award; however; if the program is oversubscribed, funds will be prorated among eligible applicants. In the event the Parks Program is undersubscribed, any unused funds will roll over to the next program year.

There are four threshold requirements that all applicants must meet to be eligible to participate in the program:

- 1) Applicant must have a Housing Element in compliance with State housing element law pursuant to Government Code Section 65585;
- 2) Applicant must submit its Annual Progress Reports for all years in which applicant has eligible units;
- 3) Applicant must submit documentation of eligible units; and
- 4) Applicant must meet a minimum grant amount of \$75,000.

San Leandro meets all of the threshold requirements.

Funds will be awarded on a per bedroom basis for each documented eligible unit: \$500 per bedroom in affordable to low-income households, and \$750 per bedroom in affordable to very low-income households. In addition to the base grant award, substantial bonus funds will be awarded per bedroom as follows:

- \$300 for newly constructed housing units;
- \$250 for extremely low-income (30% of the Area Median Income) housing units;
- \$250 for housing units built in an infill project;
- \$500 if park project is located in a Disadvantaged Community;
- \$500 if park project is located in a Park-Deficient Community;
- \$100 if park project supports an infill development; and/or
- \$50-\$75 for Regional Housing Needs Allocation progress as determined by HCD.

Based on the eligibility requirements, the grant application will include the upcoming Marea Alta (former The Cornerstone) Family Apartments. The affordable housing developer BRIDGE Housing Corporation has commenced construction of this project, which will have the following unit and income mix:

- 5 one-bedrooms, 3 two-bedrooms, and 4 three-bedrooms at extremely low-income (30% AMI)
- 6 studios, 25 one-bedrooms, 9 two-bedrooms, and 30 three-bedrooms at very low-income (50% AMI)

- 2 studios, 19 one-bedrooms, 10 two-bedrooms, and 2 three-bedrooms at low income (60% AMI)

The City has a number of park and recreation facilities with deferred maintenance and capital improvement needs; yet funding for these types of maintenance activities is limited. The Parks Program provides an opportunity to fund and address these needs.

In consultation and coordination with the Engineering & Transportation, Public Works, and Recreation & Human Services departments, staff proposes to apply all Parks grant funds, if awarded, to the ongoing and extensive renovation of Siempre Verde Park. Rehabilitation at Siempre Verde Park could include replacing the outdated playground equipment to meet safety codes and renovating the group picnic area.

Applicable General Plan Policies

The Parks Program provides an excellent opportunity for the City to pursue and achieve its General Plan goals and objectives relating to City parks and recreational facilities:

Goal 21: Rehabilitation of Existing Parks

Policy 21.01: Park Rehabilitation

Encourage the rehabilitation of the City's parks to provide residents of all ages and physical capabilities with access to as wide variety of recreational experiences as possible. Park improvements should maintain a balance between active and passive recreation areas and should ensure that the park system benefits a diverse range of interest groups.

Policy 21.02: Park Maintenance

Provide for the regular, systematic maintenance of San Leandro's parks and recreational facilities to prevent deterioration, ensure public safety, and permit continued public use and enjoyment.

Policy 21.03: Priority on Renovation

Where cost savings and equivalent benefits would be achieved, rehabilitate existing recreational facilities before building entirely new facilities. A priority should be placed on renovating athletic fields and swimming pools, and replacing outdated facilities with new facilities that are safe, attractive, and better meet current needs.

Fiscal Impacts

There is no fiscal impact on the City to apply and receive the grant funds. If the Parks Program grant is awarded, the City may receive up to \$500,000 in grant funding that would be designated for the ongoing rehabilitation of Siempre Verde Park.

ATTACHMENT

None

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